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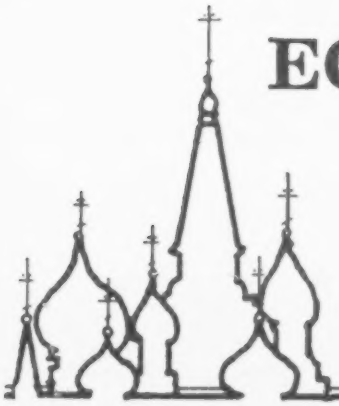

ECONOMIC NEWSLETTER

Russian Research Center
Harvard University

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Soviet Trade Figures Show Slight Improvement

The trade balance of the Soviet Union for the first nine months of 1990 showed some slight improvement over the same period in 1989 (see table on the next page). The main reason for the improvement was a drop in imports of food products from Argentina, the United States, and Australia. This was offset to some extent by an increase in grain imports from Canada, but not enough to prevent the Soviet Union from reducing imports by some 400-500 million rubles.

At the same time the trade balance with Western Europe and Japan deteriorated slightly by about 100 million rubles. That is largely due to the fact that Soviet imports increased more than exports.

Presumably when the figures for the whole year are presented, the Soviet Union's exports will show an increase, at least in value. That is due to the fact that the price of oil went up after the invasion of Kuwait by Iraq. Even though the volume of Soviet petroleum exports has declined, the price per ton should have increased enough to provide them with some additional income.

While Soviet trade relations with Western Europe seem to have improved slightly from the Soviet Union's point of view, we will see in next month's newsletter that its trade relations with Eastern Europe have deteriorated significantly. In part the improvement with Western Europe may have come at the expense of Eastern Europe.

The Soviet Union Imposes Price Increases on April 2, 1991

Most of our readers are well aware of the fact that the Soviet Union increased prices at the retail level. Initially the Soviets had said that they were going to raise prices approximately 60%. However a look at the accompanying table suggests that the price increases were significantly higher. We have not included the prices of all commodities but those that we do show seem to be typical. In each instance the price was either doubled or tripled. Since these were essential consumer goods the implication is that the price increase may have been as high as two or threefold.

	In rubles, per kilo	
Product	Old Price	New price
Beef	2.00	7.00
Pork	1.90	5.30
Whole milk	0.28	0.50
Hard cheese	3.20	6.40
Eggs	0.90	1.80
Pike perch (frozen)	1.00	3.00
Sugar	0.85	2.00
Butter	1.70	3.40
Tea	9.60	18.00
Bread (rye)	0.12	0.48
Bread (wheat & rye)	0.24	0.61
Fabric (for suit)	12.80	30.00
Man's suit	107.00	245.00
Sewing machine	67.00	125.00
School notebook	0.02	0.10
Detergent	1.00	1.60
Refrigerator	250.00	430.00
Television (color)	755.00	1218.00
Television (b & w)	240.00	440.00
Radio	135.00	207.00

BALANCE OF TRADE - 1st NINE MONTHS OF 1983 - 1990 (Million Rubles)

	EXPORTS FROM THE USSR								IMPORTS TO THE USSR							
	1983	1984	1985	1986	1987	1988	1989	1990	1983	1984	1985	1986	1987	1988	1989	1990
Austria	413	563	603	415	268	328	284	422	622	656	615	638	428	497	670	807
Belgium	741	902	658	444	569	587	590	716	449	380	425	337	274	289	364	294
Great Brit.	802	974	833	943	1158	1253	1647	1244	495	587	563	407	394	415	679	755
Greece	343	416	408	156	176	252	215	77	128	87	104	46	32	61	88	126
Denmark	221	275	213	105	91	87	119	174	54	73	76	113	59	77	88	59
Spain	229	224	148	81	334	437	468	563	182	227	291	130	122	114	157	180
Italy	2152	2388	1799	1110	1271	1283	1384	1719	1119	983	970	1119	1250	1077	1106	1382
Neth.	1393	1243	770	425	591	488	662	1015	410	188	227	181	185	194	275	240
Norway	59	78	91	41	51	50	63	88	75	60	51	55	48	61	81	73
Germany	2498	3478	3026	2197	1780	1837	1791	1972	2685	2558	2400	2268	2037	2451	2826	3229
France	1768	1695	1554	1116	1093	1150	979	1179	1353	1246	1291	860	851	789	862	882
Switz.	394	290	244	235	239	281	333	121	274	293	384	360	404	636	707	755
Sweden	491	441	392	213	301	309	383	329	191	184	240	190	171	182	267	316
Japan	579	633	695	721	690	884	940	1006	1707	1534	1849	1755	1234	1464	1498	1455
Subtotal	12083	13600	11026	8202	8612	9226	9858	10625	9744	9056	9486	8459	7489	8307	9668	10553
Sub-Bal. of Trade									+2339	+4544	+1540	-257	+1123	+919	+190	+72
Argentina	19	20	44	51	31	16	54	57	1153	983	1114	172	374	331	516	310
U.S.A.	171	210	228	216	197	223	373	351	1037	1734	1927	997	747	1334	2292	1955
Canada	22	15	13	9	11	11	25	27	990	971	466	383	327	352	306	594
Australia	5	12	12	7	10	9	13	14	321	365	446	446	253	240	465	197
New Zealand	1	6	3	3	4	8	12	8	145	38	61	3	58	71	110	130
Brazil	85	93	48	25	43	14	16	28	429	396	300	200	190	138	185	132
Total	12386	13956	11374	8513	8908	9507	10351	11110	13819	13543	13800	10660	9438	10773	13542	13871
Balance of Trade									-1433	+413	-2426	-2147	-530	-1266	-3191	-2761
Finland	1744	1833	1588	1153	1292	1170	1252	1264	2043	1747	1914	1677	1530	1613	1556	1429
	14130	14789	12962	9666	10200	10677	11603	12374	15862	15290	15714	12337	10968	12386	15098	15300
									-1732	-501	-2752	-2671	-768	-1709	-3495	-2926

Valiutnyi Auction

Date	Rubles to 1 US dollar
Mar. 13, 1991	35.36
Feb. 13, 1991	29.69
Jan. 24, 1991	25.02
Jan. 8, 1991	22.85
Dec. 14, 1991	21.61
Nov. 30, 1991	20.94

FOREIGN EXCHANGE RATES

as of March 13, 1991
Quoted in rubles

	Official Rate
£100 Sterling	105.99
100 Aust. Sch.	5.14
100 D. Marks	36.07
100 D. Guilders	32.01
100 U.S. Dollars	57.23
100 Fr. Franc	10.62
1,000 Jap. ¥	4.14
10,000 It. Lire	4.84
100 Swiss Frs.	41.43
100 Nor. Kroner	9.27
1,000 Bel. Frs.	17.55
100 Sw. Kronor	9.81

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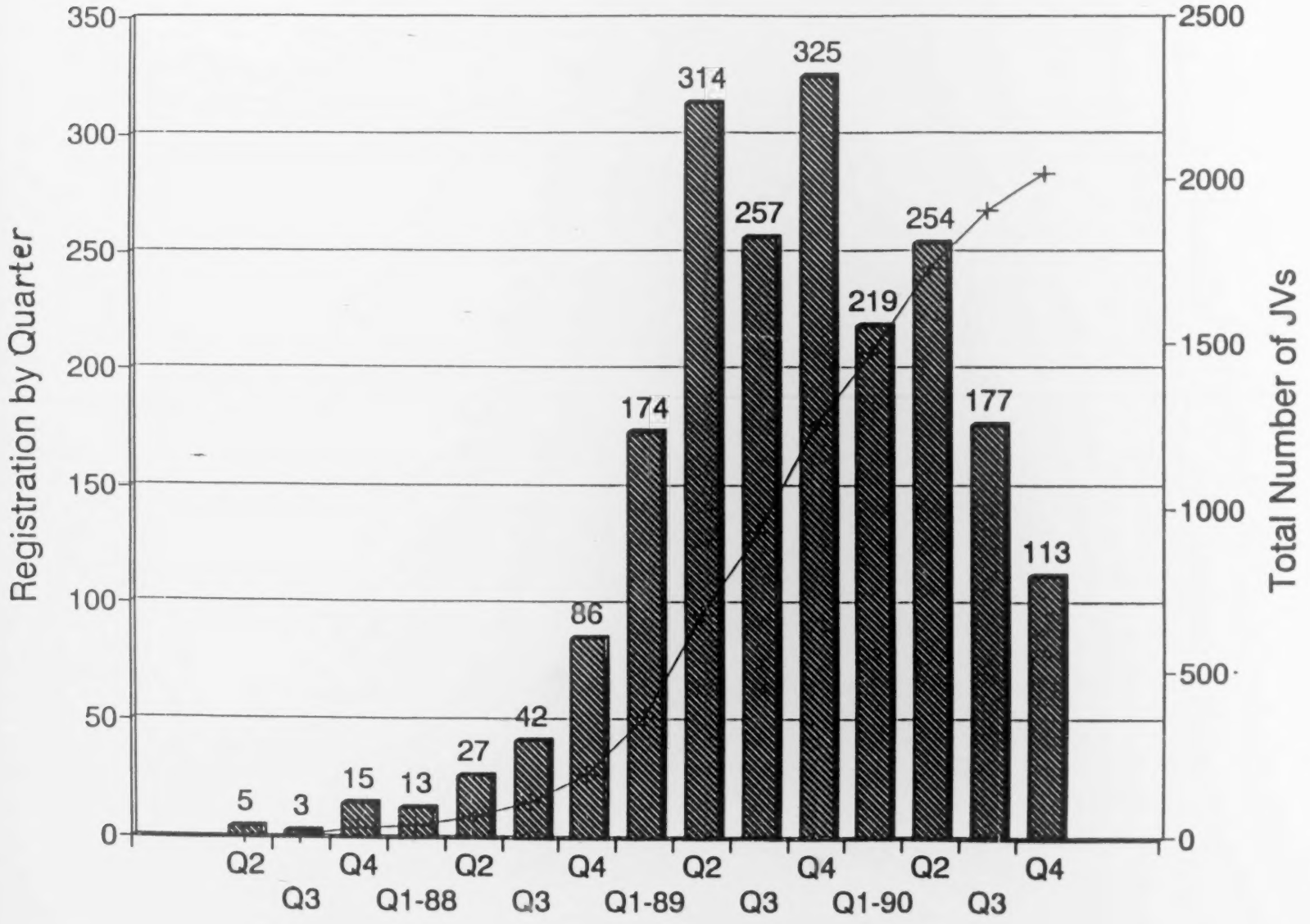

Birmingham University MNB